



Shinhan
Securities

MORNING CALL

14/08/2023

“Buying force participated at the end of the session”

- ☐ World market: Correction
- ☐ Vietnam market: Buying force participated at the end of the session
- ☐ Business News #HPG, #MWG, #VCI, #TCB, #FCN, #POW
- ☐ Technical perspective and recommendation update
- ☐ Event calendar
- ☐ Q&A

[Analysts]

Tien Le

☎ (84-28) 037 639 1443

✉ tien.ld@shinhan.com

Nam Hoang

☎ (84-28) 6299 8004

✉ nam.h@shinhan.com

Following SSV's Zalo,
Catching the latest report



Please click or scan

Major stocks market

- The Dow Jones closed 105 points higher, supported by gains from Chevron (+2%) and Merck & Co (+1.8%). Meanwhile, the S&P 500 edged lower by 0.1% and the Nasdaq lost nearly 0.7% as investors were digesting fresh inflation data and assessing the future path of the Federal Reserves.
- European stocks fell on Friday, with both the DAX and the STOXX 600 falling about 1.1%, after producer prices for the US rose more than initially expected, raising concerns the Fed will need to keep interest rates higher for longer. On the week, the DAX lost 0.7% while the pan-European STOXX 600 was little changed.
- The Nikkei 225 Index fell 0.3% to 32,375 while the broader Topix Index rose 0.35% to 2,311 in mixed trade on Monday, as investors brace for Japan's second quarter gross domestic product report on Tuesday, as well as its inflation print on Friday. Last week, data showed that producer prices in the country rose the least in over two years and slowed for the seventh consecutive month in July.
- WTI crudes future rose to \$83 per barrel, holding near its 9-month high of nearly \$85. Investors are assessing the global economy, interest rates, as well as the outlook of organizations like the IEA and the OPEC. The IEA has signaled a potential decline in global oil inventories throughout 2023, which could further drive prices higher. However, the agency forecasts a deceleration in demand growth to around 1 million barrels per day (bpd) in 2024, a decrease of 150,000 bpd compared to their previous projection.

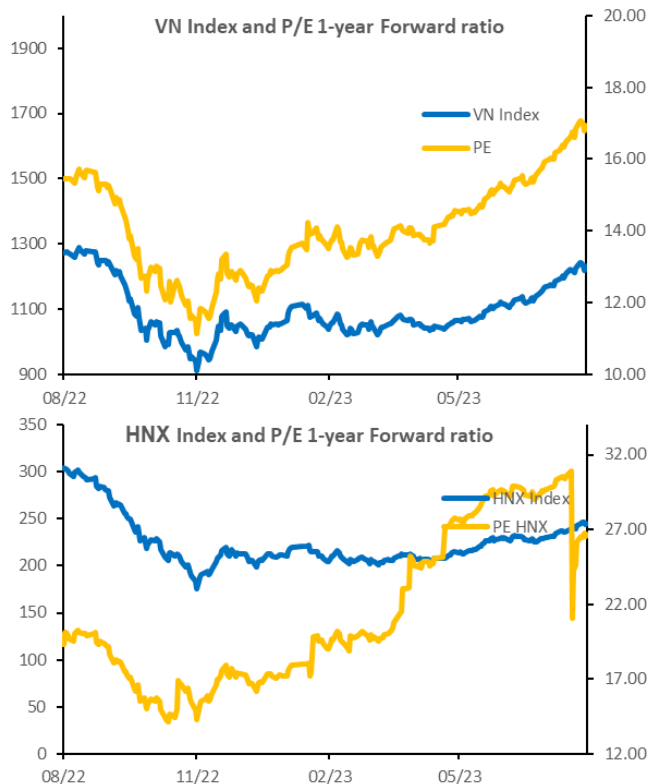
Market

	Close	%1D	%1M	%1Y
VN-Index	1,232	0.95%	5.46%	-2.39%
S&P 500 Index	4,464	-0.11%	-0.92%	4.30%
Dow Jones Index	35,281	0.30%	2.24%	4.50%
GP 100	7,524	-1.24%	1.21%	0.31%
Nikkei 225	32,598	0.38%	1.22%	17.18%
SHCOMP Index	3,189	-2.01%	-1.50%	-2.67%
STOXX 600	459	-1.09%	-0.36%	4.15%
KOSPI Index	2,580	-0.44%	-1.84%	2.06%
Hang Seng	19,075	-0.90%	-1.74%	-5.45%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.96	0.11%	3.05%	-2.53%
USD/VND	23,753.00	-0.04%	-0.29%	-1.51%
EUR/USD	1.09	-0.12%	-2.60%	7.64%
USD/CNY	7.24	-0.29%	-0.41%	-6.83%
Brent	86.47	-0.39%	8.26%	-11.90%
WTI	82.88	-0.37%	9.89%	-10.00%
Natural gas	2.79	0.79%	9.96%	-68.16%
Coal	144.00	0.70%	9.92%	-64.09%
Gold	1,911.01	-0.14%	-2.26%	7.38%

Vietnam Market Snapshot 11/08/2023



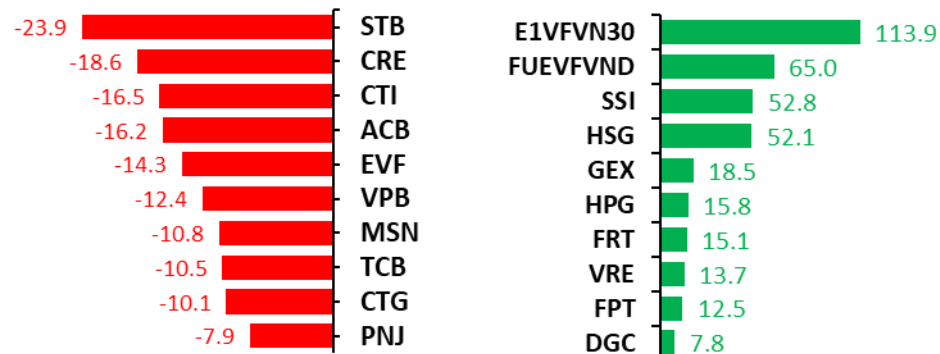
Money flow and sector rotation (VND bn)

Sector		%1D	8/11/2023	8/10/2023	20-session Average
Insurance		<div><div></div></div> 72.69	64	37	65
Basic Resources		<div><div></div></div> 50.57	1,568	1,041	1,380
Automobiles & Parts		<div><div></div></div> 29.20	338	262	227
Real Estate		<div><div></div></div> 22.56	6,320	5,157	5,060
Retail		<div><div></div></div> 17.61	735	625	692
Financial Services		<div><div></div></div> 11.33	2,548	2,289	2,268
Banks		<div><div></div></div> 8.18	3,410	3,152	3,555
Chemicals		<div><div></div></div> 4.07	951	914	839
Travel & Leisure		<div><div></div></div> 0.25	142	142	159
Construction & Materials	-6.7	<div><div></div></div>	1,407	1,509	1,580
Technology	-18.3	<div><div></div></div>	125	153	130
Oil & Gas	-22.1	<div><div></div></div>	158	202	205
Food and Beverage	-26.2	<div><div></div></div>	1,304	1,768	1,435
Health Care	-29.2	<div><div></div></div>	26	37	46
Industrial Goods & Services	-33.5	<div><div></div></div>	845	1,271	1,022
Utilities	-38.1	<div><div></div></div>	255	412	319
Personal & Household Goods	-39.2	<div><div></div></div>	192	315	229
Media	-53.4	<div><div></div></div>	1	3	3

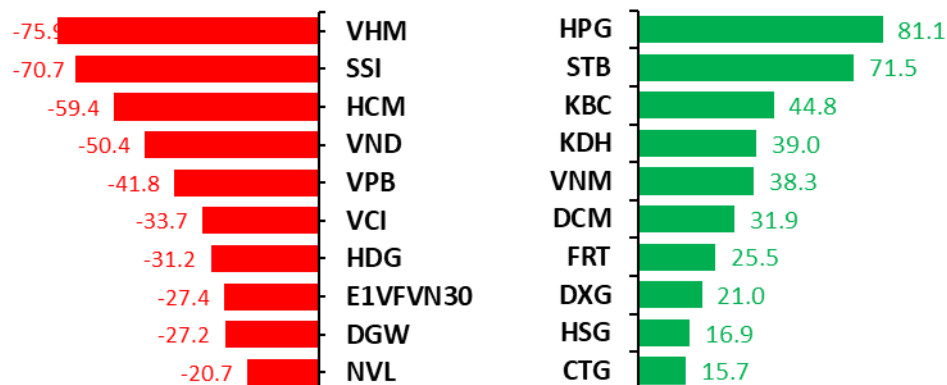
Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,232.21	16.94	11.60	0.95	929	20,398
HNX INDEX	245.25	26.66	1.34	0.55	118	1,725

Top net buying & selling of proprietary trading (VND billion)



Top net buying & selling foreign investors (VND billion)



The net trading value of proprietary trading and investors by sector (VND billion)

Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	(8)	(25)	92	(67)
Basic Resources	66	107	(203)	96
Media	-	(0)	(0)	0
Industrial Goods & Services	13	(14)	(55)	68
Health care	-	1	(1)	0
Chemicals	7	43	(4)	(39)
Financial Services	215	(251)	401	(150)
Travel & Leisure	(3)	(3)	(31)	34
Banks	(105)	61	(126)	65
Construction & Materials	(19)	(31)	38	(6)
Food and Beverage	(7)	51	(67)	17
Retail	7	14	(31)	17
Utilities	3	(11)	8	2
Personal & Household Goods	(8)	(2)	8	(6)
Technology	12	(2)	(20)	22
Automobiles & Parts	0	19	(15)	(4)
Insurance	(0)	0	(1)	0
Oil & Gas	(0)	(18)	6	12

Source: Fiinpro, Shinhan Securities Vietnam

**Macro**

- According to Bloomberg, less than two years after Evergrande's debt collapse shook the world, an even larger-scale Chinese developer is teetering on the edge of collapse. Bonds and stocks of Country Garden have plummeted this week after the company failed to make timely interest payments on two USD bond tranches. This information has raised concerns that this developer could be the next giant to fall after Evergrande. The company is considering the possibility of extending some bonds denominated in Chinese yuan that are soon due, Bloomberg's sources say.
- Despite efforts by the Government and various Ministries to address difficulties in real estate projects, the real estate supply continued to decline, transactions remained quiet, and prices continued to rise in the second quarter of 2023... In this period, the country completed 7 commercial housing projects with 2,424 units (852 apartments, 1,572 separate houses). This number is only about 50% compared to the first quarter of 2023 and 29.17% compared to the same period in 2022. In addition, there are 986 ongoing commercial housing projects with a scale of 413,539 units. This number is 141.26% compared to the first quarter of 2023 and 90.38% compared to the same period in 2022. There were 15 newly licensed projects with 3,239 units. This number is 88.24% compared to the first quarter of 2023 and 51.72% compared to the same period in 2022.
- The total value of corporate bonds issued in July reached 12,680 billion VND. Although corporate bond issuances have picked up again, there is still a lingering concern as the value of maturing bonds in the last five months of the year is up to 132,637 billion VND.

Business news

- **HPG:** Difficult to reach profit target? Weak consumer demand and slow recovery in the sales volume of Hoa Phat's steel products. The sales volume of construction steel, hot-rolled coil (HRC) steel, and steel billets reached 555,000 tons in July, a 3% increase compared to the previous month and a 6% increase compared to the same period in 2022, but still lower than the sales volume in December of the previous year. Falling prices and slow demand recovery have led to Hoa Phat's business results continuing to show negative growth compared to the same period last year. In the second quarter, the group recorded revenue of 29.8 trillion VND, a 21% decrease compared to the same period last year. After-tax profit reached 1.448 trillion VND, which is 3.8 times higher than the first quarter but still a 64% decrease compared to the second quarter of the previous year.
- **MWG:** "The optimism about the recovery of the retail market in the second half of 2023 and early 2024 is too high," shared the Chairman of MWG. Mobile World Investment Corporation (stock code: MWG) has announced its preliminary results for July, with revenue of 9.8 trillion VND, an 11% decrease compared to the same period last year. Among them, the revenue of Mobile World and Dien May Xanh reached 6.7 trillion VND, a slight 1% increase compared to the previous month. According to the Chairman of MWG, Nguyen Duc Tai, purchasing power in the second half of the year may not improve significantly. Although consumer demand may improve due to major holidays such as Christmas, Tet, and the launch of new iPhone models, it is still not significant compared to the current situation.
- **VCI:** Vietcap Securities Joint Stock Company (Vietcap, code: VCI) has announced the signing of a loan agreement for a capital injection of 100 million USD (equivalent to 2.35 trillion VND). The loan is arranged by the Mega International Commercial Bank with a short-term interest rate based on the international currency market. With this loan, Vietcap will record another successful capital mobilization after five previous rounds of fundraising.



Business news

- **TCB:** Focusing on investing resources in big data and AI (artificial intelligence) to bring a superior experience to customers is how TCB asserts its leading position in the digital transformation of the banking industry. In this fierce race, the competitive advantage will lean towards banks with large data sources (big data) and the ability to fully exploit that massive data to anticipate and cater to customer needs. So, what is the link connecting users to the bank? The answer is emotions, individual experiences. This is also what Vietnam Technological and Commercial Joint Stock Bank (Techcombank) has been, is, and will continue to implement in order to become a pioneering bank leading the digital transformation in Vietnam.
- **FCN:** FECON Group (Hose: FCN) has announced winning 5 new bids in several major projects with a total value of 537.1 billion VND. Among these 5 newly signed contracts, as many as 4 are within the company's strong areas that have already made an impact in the construction market: foundation construction, underground projects, and infrastructure. Therefore, including the projects that have received bid acceptance letters, FECON has accumulated a total of 1.567 trillion VND in major projects mainly in the industrial construction and infrastructure construction fields from the beginning of the year until now. It is anticipated that in the final 5 months of the year, FECON will continue to sign contracts ranging from 2 trillion to 2.5 trillion VND in the portfolio of ongoing and upcoming bidding projects.
- **POW:** PetroVietnam Power Corporation (PV Power, stock code: POW) has just released its business results for July, with an estimated revenue of 2.312 trillion VND, a 5% increase compared to the same period last year. The total electricity output from power plants is around 1.3 billion kWh. In terms of the plan for August, PV Power aims to achieve an electricity output of approximately 1.1 billion kWh and a total revenue of 1.895 trillion VND.



Trend: Correction in short term

- The VNINDEX closed at 1,232.2 (+11.6 points, +0.95%), maintaining a relatively steady trading volume. Leading the market were groups like VIC, VCB, and STB, with VIC particularly contributing over 4.5 points to the market's upward momentum. On the flip side, GVR, GAS, and SAB had the most significant impact on the market's decline.
- Technical Analysis: The VNINDEX formed a doji candle at the end of the afternoon session, following strong profit-taking pressure in the morning session. It's noticeable that when the index approached the support zone of the 20-day moving average (MA 20) around 1,200, there was an immediate buying force ready to step in. However, we need to observe the second session of the week, if the index can maintain this level or even close higher, then we can be more confident about the market's continued upward trend.
- Strategy: Prioritize deploying funds into stocks that have rebounded upon reaching the MA 20 area. Nevertheless, we need to observe at least the second session to be more certain. Stocks that broke below the MA 20 during the recent correction should be cut loss quickly to safeguard the portfolio.

Scenario:

- Positive Scenario (40%): The market will rise to the 1,260 level after a favorable reaction at the MA 20 zone of the VNINDEX.
- Negative Scenario (60%): The market will move sideways in the 1,200 - 1,220 range to accumulate for a few more sessions.

Recommended stocks

14/8/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
NKG	Buy	19.5	22.7	18.8	16%	-4%	19.5	Rebound from the base

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
MIG	Hold	18.7	21	18.37	12%	-2%	19.3	16	3.21%	21/07/2023	
GEG	Hold	15.5	17	15.2	10%	-2%	15.4	10	-0.65%	03/08/2023	
VCS	Hold	63.5	72	61.8	13%	-3%	63.1	10	-0.63%	31/07/2023	
PTB	Hold	52.6	59.9	51.9	14%	-1%	54.6	7	3.80%	03/08/2023	
BSI	Hold	33.1	36	32.2	9%	-3%	32.5	5	-1.81%	07/08/2023	Cutloss
VRE	Sell	28.7	31.2	28.2	9%	-2%	30.75	5	7.14%	07/08/2023	Take Profit



August 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31 PMI data (US and Vietnam)	1	2	3	4 Unemployment rate (US)	5
6	7	8	9 CPI data (US)	10 MSCI quarterly review PPI Data (US)	11	12
13	14 Deadline for submission of semi-annual financial statements	15	16	17 Expiration date of future contract FOMC meeting	18	19
20	21	22 Ishare MSCI review	23	24 US GDP Q3	25 FDI Data (Vietnam)	26
27	28 Vietnam macroeconomic data	29	30	31	1	2



Shinhan
Securities



Q&A

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright © 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.